Joint Budget Committee

Supplemental Budget Requests
FY 2024-25 and FY 2025-26

Information Technology Capital Projects

Prepared by:
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January 23, 2026

JBC Working Document - Subject to Change
Staff Recommendation Does Not Represent Committee Decision

Contents

Overview of Information Technology Capital

The Information Technology Projects (IT Capital) section of the Long Bill includes funding appropriated to state departments and institutions of higher education for information technology capital projects. Capital construction appropriations are primarily supported by General Fund transferred to the Information Technology Capital Account (IT Capital Account) within the Capital Construction Fund. The Joint Technology Committee (JTC) reviews all IT capital requests and makes IT capital funding recommendations to the Joint Budget Committee.

On January 15, 2026, the JTC approved the three supplemental IT Capital requests submitted by OSPB. The Department of Public Safety request and Metropolitan State University request were approved on a 6-0 vote. Meanwhile, the Colorado Benefit Eligibility System project was approved on a vote of 4-2. These approvals are expressed in the letter to the Committee from the JTC, attached to this document as Appendix A.

Summary of Staff Recommendations

FY 2024-25 Summary

Information Technology Projects: Recommended Changes for FY 2024-25

Item	Total Funds	Cap'l Const'n Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 2024-25 Appropriation					
FY 2024-25 Long Bill (HB 24-1430)	$158,354,132	$86,836,669	$14,255,934	$0	$57,261,529
TOTAL	$158,354,132	$86,836,669	$14,255,934	$0	$57,261,529
Recommended Changes					
Current FY 2024-25 Appropriation	$158,354,132	$86,836,669	$14,255,934	$0	$57,261,529
OSPB S1 Reimaging Colorado's Benefit Management System	-16,516,500	-3,716,625	0	0	-12,799,875
OSPB S3 MSU - Reimagining the Campus Digital Experience (SIS)	$2,450,000	0	2,450,000	0	0
Recommended FY 2024-25 Appropriation	$144,287,632	$83,120,044	$16,705,934	$0	$44,461,654
Recommended Change to FY 2024-25	-$14,066,500	-$3,716,625	$2,450,000	$0	-$12,799,875
Percentage Change	-8.9%	-4.3%	17.2%	n/a	-22.4%

Changes are assumed to be one-time unless otherwise noted.

OSPB S1/BA1 Reimagining Colorado's Benefit Eligibility System: The request includes a reduction of $16.5 million total funds, including $3.7 million General Fund. This request is for phase I of a project to develop a benefit eligibility system to replace the Colorado Benefit Management System. Staff recommends approval of the request.

OSPB MSU - Reimagining the Campus Digital Experience (SIS): The request includes an increase of $2.5 million cash funds from the university reserve for completion of the final phase of the student information system implementation. Staff recommends approval of the request.

FY 2025-26 Summary

Information Technology Projects: Recommended Changes for FY 2025-26

Item	Total Funds	Cap'l Const'n Fund	Cash Funds	Reapprop. Funds	Federal Funds
FY 2025-26 Appropriation					
FY 2025-26 Long Bill (SB 25-206)	$73,891,227	$34,541,285	$21,954,666	$3,634,037	$13,761,239
Total	$73,891,227	$34,541,285	$21,954,666	$3,634,037	$13,761,239
Recommended Changes					
Current FY 20245-26 Appropriation	$73,891,227	$34,541,285	$21,954,666	$3,634,037	$13,761,239

Item	Total Funds	Cap'l Const'n Fund	Cash Funds	Reapprop. Funds	Federal Funds
OSPB S1/BA1 Reimagining Colorado's Benefits Eligibility Systems	$19,462,080	$7,363,145	$0	$0	$12,098,935
OSPB S2 CCIC FBI Compliance Upgrade	$735,000	$0	$735,000	$0	$0
Recommended FY 2025-26 Appropriation	$94,088,307	$41,904,430	$22,689,666	$3,634,037	$25,860,174
Recommended Change to FY 2025-26	$20,197,080	$7,363,145	$735,000	$0	$12,098,935
Percentage Change	27.3%	21.3%	3.3%	0.0%	87.9%

Changes are assumed to be one-time unless otherwise noted.

OSPB S1/BA1 Reimagining Colorado's Benefit Eligibility System: The request includes an increase of $19.5 million total funds, including $7.4 million General Fund for the development of a benefit eligibility system to replace the Colorado Benefit Management System. Staff recommends approval of the request.

OSPB S2 CCIC FBI Compliance Upgrade: The request includes an increase of $735,000 from the CBI Identification Unit Fund for updating systems to meet Federal National Information Exchange Model (NIEM) standards.

Department Supplemental Requests

→ OSPB S1/BA1 Reimagining Colorado's Benefit Eligibility System

FY 2024-25 Impacts in IT Capital

Item	Total Funds	General Fund/ CCF	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	-$16,516,500	-$3,716,625	$0	$0	-$12,799,875	0.0
Recommendation	-16,516,500	-3,716,625	0	0	-12,799,875	0.0
Staff Recommendation Higher/-Lower than Request	$0	$0	$0	$0	$0	0.0

FY 2025-26 Impacts in IT Capital

Item	Total Funds	General Fund/CCF	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	$19,462,080	$7,363,145	$0	$0	$12,098,935	0.0
Recommendation	19,462,080	7,363,145	0	0	12,098,935	0.0
Staff Recommendation Higher/-Lower than Request	$0	$0	$0	$0	$0	0.0

> **Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES**
> An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.
> **Explanation:** JBC staff and the Department agree that this request is the result of an unforeseen contingency. The change of eligibility criteria brought about by H.R. 1 has provided an opportunity for the development of an integrated, modular benefits system to replace the Colorado Benefits Management System (CBMS).

The aggregate increase in General Fund/Capital Construction Fund reflected above is $3,646,520 across the two fiscal years. The Department has further requested that this be offset by decreases of $1.8 million in the Joint Agency Interoperability (JAI) operating line item in the Department of Human Services in each of FY 2025-26 and FY 2026-27, for a total reduction of $3.6 million General Fund. In effect, this action increases General Fund utilization by $1.8 million in FY 2025-26 while decreasing it by the same amount in FY 2026-27.

The Department has also submitted a budget amendment reallocating the requested funds for CBMS Re-procurement (IT Capital R1) to this request. This totals $4.8 million total funds, including $0.9 million Capital Construction Fund, for FY 2026-27.

Request

The Department of Human Services requests the following changes:

FY 2024-25

- A decrease of $16.5 million total funds, including $3.7 million Capital Construction Fund, for the "Leveraging Technology for Seamless Human Services Delivery" IT Capital Project, which was approved for FY 2024-25.

FY 2025-26

- An increase of $19.5 million total funds, including $7.4 million Capital Construction Fund
- A decrease of $1.8 million General Fund in the JAI operating line item in the Department of Human Services

FY 2026-27

- A decrease of $1.8 million General Fund in the JAI operating line item in the Department of Human Services
- Withdrawal of the "CBMS Re-procurement" request (R-01), with the associated $4.8 million total funds, including $905,237 Capital Construction Fund, reallocated to this request

The Department has indicated that the supplemental request and budget amendment do not add any new appropriations beyond those requested in the November 1 budget submission.

Recommendation

Staff recommends that the Committee approve the supplemental requests for FY 2024-25 and FY 2025-26, and that the Committee grant staff permission to work with Legislative Legal Services on any necessary bill draft to implement the Committee's decision.

Staff will offer a separate recommendation for the FY 2026-27 requests through the figure setting process, but anticipates recommending approval if the Committee approves the supplemental actions.

Analysis

The Department of Human Services (CDHS) and Department of Health Care Policy and Financing (HCPF) have submitted a supplemental request to reallocate previously appropriated funds to the development of a new benefit eligibility system. This initiative transitions the state from managing three independent IT projects—the Colorado Benefits Management System (CBMS), the Program Eligibility & Application Kit (PEAK), and Joint Agency Interoperability (JAI)—into a single, modular modernization program. This consolidation is necessitated by federal legislative changes under H.R. 1, which modified eligibility criteria for Medicaid and SNAP, requiring a more flexible architecture to maintain compliance.

The funding aims to address inefficiencies within the current framework, which are driven by high technical debt and a complex codebase. The Department indicates that the system's interface results in an 18-month period for new technicians to become proficient. By moving to a cloud-based, modular system, the state seeks to replace outdated systems with independent modules. The Department suggests that this will allow for faster updates, reduced error rates in benefit calculations, and improved system uptime.

This supplemental request is net-neutral to the Governor's November 1 budget request, as it requests authority to redistribute existing and requested appropriations. Most of these funds were originally allocated to separate legacy projects that are now being integrated. However, staff notes that $4.8 million total funds, including $0.9 million in Capital Construction Fund, is a new appropriation beyond the assumed FY 2026-27 base appropriation.

The project is structured in phases to mitigate implementation risk. Phase 1 is scheduled to conclude by June 30, 2027, focusing on the development of the core modular framework and addressing the immediate requirements of H.R. 1. A full replacement of the legacy system is projected for completion by June 30, 2029, a date selected to align with the termination of existing maintenance and operations contracts for CBMS and PEAK, thereby avoiding the costs of redundant service agreements and reducing dual-maintenance costs for the state.

→ OSPB S2 CCIC FBI Compliance Upgrade

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	$735,000	$0	$735,000	$0	$0	0.0
Recommendation	735,000	0	735,000	0	0	0.0
Staff Recommendation Higher/-Lower than Request	$0	$0	$0	$0	$0	0.0

Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES or NO
An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.
Explanation: JBC staff and the Department agree that this request is the result of an unforeseen contingency. The development and adoption of new information exchange standards at the federal level in December of 2025 makes updating the system to integrate with the new standard necessary for integration with national law enforcement databases.

Request

The Department requests an increase of $735,000 from the CBI Identification Unit Fund for updating systems to meet Federal National Information Exchange Model (NIEM) standards.

Recommendation

Staff recommends that the Committee approve the request.

Analysis

The Department of Public Safety (DPS) has submitted a supplemental budget request to modernize the Colorado Crime Information Center (CCIC), the state's central hub for sensitive law enforcement data. This request is driven by a mandate from the FBI to transition all state-level criminal justice exchanges to the National Information Exchange Model (NIEM) using Extensible Markup Language (XML). While the state has maintained

data systems in legacy formats for years, the federal government has set a "sunset date" of December 2026. At that time, legacy data formats will no longer be supported, potentially limiting access to federal law enforcement databases.

The primary problem this funding aims to solve is a looming "data blackout" that could occur if Colorado fails to meet the federal deadline. Currently, the CCIC facilitates the exchange of sensitive information, including warrants, protection orders, and criminal histories. Without this modernization, Colorado's connection to the National Crime Information Center (NCIC) and the National Instant Criminal Background Check System (NICS) would be severed. This could delay the time at which law enforcement receives alerts about potentially dangerous individuals or stolen property, creating a gap in public safety intelligence.

Beyond compliance, the request addresses the risks of relying on aging technical infrastructure. The current systems use outdated communication protocols that are difficult to secure and potentially prone to synchronization errors. By moving to the NIEM standard, the Department will implement a more reliable data system which comports with federal standards. This aims to solve the problem of manual data reconciliation and should allow the 23,000 users in Colorado to have access to the most accurate information available.

The request is a single-phase project to comply with federal standards. The Department expects the project to be completed before the December 2026 deadline. This timeline includes testing periods to ensure that the new XML exchanges are compatible with both federal systems and local systems across Colorado. By completing this work, the Department expects a transition from a legacy system to modern system that will be minimally disruptive and allow the Department to continue utilizing national data systems for their work.

→ OSPB S3 MSU - Reimagining the Campus Digital Experience (SIS)

FY 2024-25 Impacts

Item	Total Funds	General Fund	Cash Funds	Reapprop. Funds	Federal Funds	FTE
Request	$0	$0	$2,450,000	$0	$0	0.0
Recommendation	0	0	2,450,000	0	0	0.0
Staff Recommendation Higher/-Lower than Request	$0	$0	$0	$0	$0	0.0

> **Does JBC staff believe the request meets the Joint Budget Committee's supplemental criteria? YES or NO**
> An emergency or act of God; a technical error in calculating the original appropriation; data that was not available when the original appropriation was made; or an unforeseen contingency.
> **Explanation:** JBC staff and the Department agree that this request is the result of data that was not available when the original appropriation was made. A gap analysis of university capabilities identified deficits in staffing capacity and technical expertise which would have likely caused delays in implementation.

Request

The Department requests $2.5 million in cash fund spending authority for final implementation of Phase IV of the project.

Recommendation

Staff recommends that the Committee approve the request.

Analysis

Metropolitan State University of Denver (MSU Denver) has submitted a supplemental budget request seeking $2.45 million in cash fund spending authority to finalize the replacement of its legacy Student Information System (SIS). The project aims to transition the university from an on-premises Ellucian Banner system, originally deployed in 1998, to a modern cloud-based platform. This supplemental request is due to the findings of a recent gap analysis, which identified specific deficits in internal staffing capacity and technical expertise necessary to execute the final stages of the migration.

The primary objective of this funding is to mitigate operational and security risks associated with the university's aging IT infrastructure. The current 27-year-old system is hosted on local hardware that lacks the redundancy found in modern IT environments, increasing the likelihood of system downtime. Furthermore, moving to a cloud-based model addresses documented vulnerabilities to ransomware and other cybersecurity threats that specifically target legacy database architectures in the higher education sector.

To address the identified staffing gaps, the requested funds will be utilized to secure temporary personnel and specialized technical consultants. These resources are required to manage high-risk tasks such as data normalization, custom report migration, and the integration of third-party applications without disrupting current university operations. The gap analysis concluded that existing internal teams lack the bandwidth to simultaneously maintain daily service levels and execute the complex rollout to the new system.

This request utilizes university cash reserves. While the final implementation requires this additional capital outlay, the university projects that the new system will cost less than $2 million annually to operate. Over a ten-year contract term, this transition is expected to generate approximately $5 million in savings by eliminating the escalating maintenance costs and technical debt associated with the 1998 legacy platform.

Appendix A: Letter from the Joint Technology Committee to the Joint Budget Committee

Appendix A is the letter sent to the Joint Budget Committee by the Joint Technology Committee indicating approval for the requested projects.

COLORADO GENERAL ASSEMBLY

Sen. Janice Marchman, Chair
Sen. Mark Baisley
Sen. Robert Rodriguez

Rep. Brianna Titone, Vice-Chair
Rep. Amy Paschal
Rep. Ron Weinberg

Joint Technology Committee

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January 15, 2026

Representative Emily Sirota
Chair, Joint Budget Committee
200 East 14th Avenue, Third Floor
Denver, Colorado 80203

Dear Representative Sirota,

On January 15, 2026, the Joint Technology Committee (JTC) considered three supplemental budget requests. The JTC recommended funding the following requests on a 6-0 vote:

- Metropolitan State University of Denver Reimagining Campus Digital Experience project; and
- Department of Public Safety Colorado Crime Information Center project.

The JTC recommended funding the following on a 4-2 vote with the stipulation that the JTC receives regular updates on the progress of the project:

- Departments of Human Services and Health Care Policy and Financing Reimaging Colorado's Benefits Eligibility System project.

Descriptions of the recommended requests are attached.

If you have any questions or concerns about the JTC's recommendations, please call Samantha Falco, Legislative Council Staff, at 303-866-4794.

Sincerely,

Janice Marchman

Senator Janice Marchman, Chair

cc: Joint Budget Committee Members

Joint Technology Committee Members

Joint Technology Committee Staff

Craig Harper, Joint Budget Committee Staff

Andrew McLeer, Joint Budget Committee Staff